

# REPORT OF THE COMMITTEE ON BUDGET

## Voting Members:

Ann H. Kobayashi, Chair; Joey Manahan, Vice Chair;  
Carol Fukunaga, Trevor Ozawa, Kymberly Marcos Pine

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Committee Meeting Held  
July 22, 2015

Honorable Ernest Y. Martin  
Chair, City Council  
City and County of Honolulu

Mr. Chair:

Your Committee on Budget, which considered Bill 42 (2015), CD1 entitled:

"A BILL FOR AN ORDINANCE TO ESTABLISH A FUND TO ADDRESS  
MITIGATION COSTS RELATING TO THE CONSTRUCTION OF THE TRANSIT  
PROJECT,"

which passed second reading and a public hearing at the June 3, 2015 Council  
meeting, reports as follows:

The purpose of the Bill is to create a fund to receive and expend monies to  
mitigate negative economic impacts from the construction of the Honolulu High Capacity  
Transit project.

The Director of the Department of Budget and Fiscal Services testified that he  
had not had the opportunity to review the proposed CD2 version of the Bill and noted  
that the Department is currently not equipped to administer the Fund.

The Chief Financial Officer of the Honolulu Authority for Rapid Transportation  
testified that HART is estimating an additional \$1.5 billion in revenue from the general  
excise tax extension, but deferred comments on whether or not HART would support  
using a portion of the revenue for a mitigation fund to the HART board and the HART  
Executive Director.

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## CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ADOPTED ON AUG 5 2015

COMMITTEE REPORT NO. 288

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July 22, 2015  
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Your Committee received testimony from one individual in opposition and one individual offering comments on the Bill.

No testimony was received from any institution, organization, or governmental agency.

Your Committee discussion and approved a handcarried proposed CD2 version of the Bill that makes the following amendments:

- 1) Specifies that only moneys from the general fund or other federal, state or private sources that have been so specified for these purposes may be deposited into the transit construction mitigation fund.
- 2) Amends the existing section 6-\_\_\_\_.4 to read as follows:

“Expenditures from this fund shall only be used to mitigate negative economic impacts on businesses from the construction of the Honolulu High Capacity Transit project and such expenditures may include, but not be limited to:

1. Reestablishment payments (grants): Available to businesses that were forced to physically relocate due to rail construction;
2. Business interruption payments (grants): To compensate businesses located along the corridor for loss of business income due to construction impacts; and

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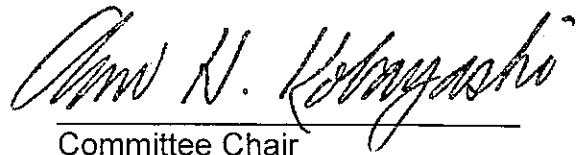
3. Working capital advances (loans): For covering legitimate business operating expenses required to continue operation during the construction phase;

and"

- 3) Amends the existing Section 6-\_\_\_.5 to require that the Fund is administered by the Director of the Department of Budget and Fiscal Services through the Office of Economic Development.
- 4) Makes various technical and non-substantive amendments.

Your Committee on Budget is in accord with the intent and purpose of Bill 42 (2015), CD1, as amended herein, and recommends that it pass third reading in the form attached hereto as Bill 42 (2015), CD2. (Ayes: Kobayashi, Fukunaga, Manahan, Ozawa, Pine – 5; Noes: None.)

Respectfully submitted,

  
Committee Chair

At the 8/5/15 Council meeting, the Bill was further amended and subsequently passed third reading in the form attached hereto as Bill 42, CD2, FD1.

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## CITY COUNCIL

CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ADOPTED ON AUG 5 2015

COMMITTEE REPORT NO. 288

**SUMMARY OF PROPOSED COMMITTEE DRAFT:**

**Bill 42 (2015), CD1  
TO ESTABLISH A FUND TO ADDRESS MITIGATION COSTS  
RELATING TO THE CONSTRUCTION OF THE TRANSIT PROJECT.**

PROPOSED CD2 makes the following amendments:

- 1) Specifies that only moneys from the general fund or other federal, state or private sources that have been so specified for these purposes may be deposited into the transit construction mitigation fund.
- 2) Amends the existing section 6-\_\_\_\_.4 to read as follows:

"Expenditures from this fund shall only be used to mitigate negative economic impacts on businesses from the construction of the Honolulu High Capacity Transit project and such expenditures may include, but not be limited to:

  1. Reestablishment payments (grants): Available to businesses that were forced to physically relocate due to rail construction;
  2. Business interruption payments (grants): To compensate businesses located along the corridor for loss of business income due to construction impacts; and
  3. Working capital advances (loans): For covering legitimate business operating expenses required to continue operation during the construction phase;

and"
- 3) Makes various technical and non-substantive amendments.



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**A BILL FOR AN ORDINANCE**

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TO ESTABLISH A FUND TO ADDRESS MITIGATION COSTS RELATING TO THE  
CONSTRUCTION OF THE TRANSIT PROJECT.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. The purpose of this ordinance is to create a fund to receive and expend moneys to mitigate negative economic impacts from the construction of the Honolulu High Capacity Transit project.

SECTION 2. Chapter 6, Revised Ordinances of Honolulu 1990, as amended, is amended by adding a new article to be appropriately designated by the revisor of ordinances and to read as follows:

**"Article \_\_. Transit Construction Mitigation Fund**

**Sec. 6-\_\_.1 Establishment.**

There is hereby created a special fund to be known as the "transit construction mitigation fund."

**Sec. 6-\_\_.2 Purpose.**

The purpose of the transit construction mitigation fund is to receive and expend moneys to mitigate negative economic impacts from the construction of the Honolulu High Capacity Transit project.

**Sec. 6-\_\_.3 Deposits.**

Only moneys from the general fund or other federal, state or private sources that have been so specified for these purposes may be deposited into the transit construction mitigation fund.

**Sec. 6-\_\_.4 Expenditures.**

Expenditures from this fund shall only be used to mitigate negative economic impacts on businesses from the construction of the Honolulu High Capacity Transit project and such expenditures may include, but not be limited to:

1. Reestablishment payments (grants): Available to businesses that were forced to physically relocate due to rail construction;



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ORDINANCE \_\_\_\_\_

BILL **42 (2015), CD2**

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**A BILL FOR AN ORDINANCE**

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2. Business interruption payments (grants): To compensate businesses located along the corridor for loss of business income due to construction impacts; and
3. Working capital advances (loans): For covering legitimate business operating expenses required to continue operation during the construction phase;

and

**Sec. 6-\_\_\_.5 Administration.**

The Director of Budget and Fiscal Services shall administer the fund through the Office of Economic Development."



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ORDINANCE \_\_\_\_\_

BILL **42 (2015), CD2**

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**A BILL FOR AN ORDINANCE**

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SECTION 3. This ordinance takes effect upon its approval.

INTRODUCED BY:

Ernest Martin

Carol Fukunaga

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DATE OF INTRODUCTION:

April 30, 2015  
Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Deputy Corporation Counsel

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
KIRK CALDWELL, Mayor  
City and County of Honolulu



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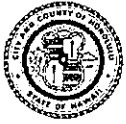
Only moneys from the general fund or other federal, state or private sources that have been so specified for these purposes may be deposited into the transit construction mitigation fund.

**Sec. 6-\_\_.4 Expenditures.**

Expenditures from this fund shall only be used to mitigate negative economic impacts on businesses from the construction of the Honolulu High Capacity Transit project and such expenditures may include, but not be limited to:

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**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ORDINANCE \_\_\_\_\_

BILL **42 (2015), CD2, FD1**

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**A BILL FOR AN ORDINANCE**

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2. Business interruption payments (grants): To compensate businesses located along the corridor for loss of business income due to construction impacts; and
3. Working capital advances (loans): For covering legitimate business operating expenses required to continue operation during the construction phase.

**Sec. 6-\_\_\_.5 Administration.**

The director of budget and fiscal services shall administer the fund."



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
HONOLULU, HAWAII

ORDINANCE \_\_\_\_\_

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APPROVED AS TO FORM AND LEGALITY:

\_\_\_\_\_  
Deputy Corporation Counsel

APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
KIRK CALDWELL, Mayor  
City and County of Honolulu